

**U.S. DISTRICT COURT FOR THE
NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION**

AT&T CAPITAL SERVICES, INC.,
a Delaware corporation, and
SBC GLOBAL SERVICES, INC.,
a Delaware corporation,
Plaintiffs,
vs.

WTL FINANCIAL, INC.,
a California corporation,
CHRISTOPHER WARREN,
an individual,
Defendants.

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Case No. 1:07-cv-06428
Honorable Mark Pilip

INITIAL STATUS REPORT

Plaintiffs, AT&T Capital Services, Inc. and SBC Global Services, Inc. hereby submit their Initial Status Report:

1. Attorneys of Record. The Plaintiffs are represented by Andrew M. Spangler, Jr. of Chico & Nunes, P.C. and Charles Greenhouse and Paul Franke of Franke Greenhouse List & Lippitt LLP in Denver, Colorado. Defendants have not yet filed an answer in this case and Defendants' counsel is unknown.

2. Basis for Jurisdiction. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §1332(a), in that the matter in controversy exceeds the sum or value of \$75,000.00, exclusive of interest and costs, and is between parties that are citizens of different states.

3. Nature of the Claims. The claims are in the nature of breach of contract and breach of a related personal guarantee for failure to pay amounts due for telecommunications services and equipment.

4. Service. Both Defendants have been served.

5. Principal Legal Issues.

- a. Whether Defendant WTL breached the subject agreement for failure to pay as required.
- b. Whether the guarantor is liable for all amounts due under the subject agreement.
- c. Whether Defendants are liable to Plaintiffs under a theory of quantum meruit.
- d. Whether Defendants are liable to Plaintiffs under a theory of unjust enrichment.
- e. Whether Plaintiffs are entitled to an order of replevin for return of the subject equipment.
- f. Whether Plaintiffs are entitled to an order for declaratory judgment that the equipment should be returned to them.
- g. Whether Plaintiffs are entitled to a mandatory injunction compelling Defendants to return the equipment to them.
- h. Whether Defendants are liable to Plaintiffs under the theory of conversion for failing to return the equipment.
- i. Whether Plaintiffs are entitled to a judgment for specific performance ordering the Defendants to return the equipment to them.

6. Principal Factual Issues. Whether there is any factual basis for Defendants WTL not to pay under the subject agreement.

7. Jury Trial. Plaintiffs have not requested a jury and do not expect to demand one.

8. Discovery. Plaintiffs would expect to send written interrogatories and request for production and take a Rule 30(b)(6) deposition of a representative of Defendant WTL regarding any defenses that Defendant WTL might raise.

9. Trial. Plaintiffs are ready for trial almost immediately. If discovery is necessary, Plaintiffs expect they could be ready for trial in 3 to 6 months.

10. Magistrate Judge. Plaintiffs consent to proceed before the Magistrate Judge.

11. Settlement Discussions. The parties have not discussed settlement. Plaintiffs have been unable to contact a representative of Defendants. Plaintiffs do not know about the possibility of settlement because they have been unable to contact Defendants.

12. Settlement Conference. If the Defendants answer the complaint, the Plaintiffs would request a settlement conference.

Respectfully submitted,

AT&T CAPITAL SERVICES, INC., and
SBC GLOBAL SERVICES, INC.

By: /s/ Andrew M. Spangler, Jr.
One of Their Attorneys

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